Afghanistan Trade and Revenue (ATAR) Project Contract No. AID-OAA-I-12-00035

**Quarterly Report
July-September 2015**

October 29, 2015

CONTENTS

ACRONYMS

AAFFCO	Association of Afghan Freight Forwarding Companies
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACCI	Afghanistan Chamber of Commerce and Industries
ACD	Afghanistan Customs Department
AEO	Authorized Economic Operator
AMA	Afghanistan Marble Association
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan Pakistan Transit Trade Coordination Authority
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
BCP	Border Crossing Point
BMM	Border Management Model
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asian Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CHAMP	Commercial Horticulture and Agriculture Program
CSO	Central Statistics Organization
DAB	Da Afghanistan Bank
EGAT	Economic Growth and Trade
EIF	Economic Integration Forum
EPAA	Export Promotion Agency of Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chambers of Commerce and Industries
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GIZ	Gesellschaft für Internationale Zusammenarbeit
GSP	Generalized System of Preferences
HKIA	Hamid Karzai International Airport
ICD	Inland Clearance Depot
IRU	International Road Transport Union
ISO	International Organization for Standardization
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MOCI	Ministry of Commerce and Industries
MOFA	Ministry of Foreign Affairs
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit

PPQD	Plant Protection and Quarantine Department
PRA	Pest Risk Assessment
RADP-S	Regional Agricultural Development Program-South
RADP-W	Regional Agricultural Development Program-West
REC	Regional Economic Cooperation project
RKC	Revised Kyoto Convention
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
TAFA	Trade Accession and Facilitation for Afghanistan project
TFA	Trade Facilitation Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
WCO	World Customs Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities and works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade ties in Central Asia. ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period.

Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of Afghanistan to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

B. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of key achievements

ATAR worked closely with the Ministry of Commerce and Industries (MOCI) to educate newly appointed government officials on the benefits of Afghanistan's accession to the WTO. The new Minister of Commerce and Industries was convinced of the need to accelerate WTO accession, and President Ghani's office for the first time requested Afghanistan's WTO accession documents. MOCI sent the documents, along with notes on the benefits and importance of WTO accession for Afghanistan, to President's Ghani's office following the request. MOCI and ATAR began working to schedule a presentation at President Ghani's office on WTO commitments, benefits, and challenges.[1] In preparation for Afghanistan's fifth Working Party meeting, ATAR assisted MOCI and other ministries in preparing replies to 90 questions from the WTO that were aimed at fine-tuning Afghanistan's Draft Working Party Report.

With ATAR's continuous support, the Afghan government made significant headway in bringing Afghanistan's trade-related legislation in line with WTO requirements. ATAR provided support to the government as the laws proceeded from stage to stage and helped prepare for implementation of the laws through working groups and awareness seminars. Among the quarterly highlights, the Ministry of Finance approved the Procedure on Advance Ruling on Binding Decisions; the Afghanistan National Standards Authority (ANSA) finalized the Law on Standards and Technical Regulations and sent the draft to the Ministry of Justice (MOJ); the Upper House of Parliament approved the Law on Plant Protection and Quarantine in June and sent the draft law to the President for signature; the Law on Geographical Indications was signed by the President and published in the official gazette; the Legislative Committee of the Council of Ministers approved the Law on Industrial Designs; and MOJ approved the Law on Protection of Trade and Industry Secrets and submitted the draft to the Council of Ministers.

Constraints

Although Afghanistan was well positioned to hold its fifth Working Party meeting, the date of the meeting was pending the decision of the new Afghan government.[2]

Component 2: Facilitate Enhanced Access to Regional Markets

Summary of key achievements

ATAR continued support for Afghanistan and its Central and South Asian neighbors toward greater trade and transit facilitation. In a step toward ratification of the Cross-Border Transport Agreement-Corridor 5

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[1] A meeting regarding Afghanistan's accession to WTO occurred in early October between ATAR and MOCI and President Ghani and his advisors.
[2] Following discussions with MOCI, ATAR and his advisors, President Ghani gave clearance in early October for Afghanistan to proceed with WTO negotiations and Afghanistan's fifth, and likely final, Working Party meeting was scheduled for November 11, 2015.

(CBTA) in the Kyrgyz Republic, the Kyrgyz Ministry of Transport said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to the CBTA and sent a letter to MOJ for further approval by resolution of the Kyrgyz government. As a result of ATAR's efforts, Kyrgyzstan held its first working group on conformity with the WTO Trade Facilitation Agreement (TFA), and ATAR participated in subsequent working groups throughout the quarter. In support of improved customs administration in Tajikistan, ATAR held roundtables and training seminars to promote awareness of authorized economic operators and post clearance audit best practices and criteria.

In an effort to increase awareness of Afghanistan's exports, ATAR supported the Export Promotion Agency of Afghanistan (EPAA) in organizing and running the Afghan Pavilion at Expo Milano, which began May 1 and will run through Oct. 31, in Milan, Italy. EPAA said the pavilion receives about 2,000 visitors each day, and its restaurant was ranked among the top restaurants at the exposition, which involves about 140 countries.

Constraints

The conflict between Kyrgyzstan and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments are only open for very limited activities with very lengthy bureaucratic procedures.

Component 3: Improved Customs Administration

Summary of key achievements

The pilot phase of electronic payment, or E-Pay, of customs duties continued with a focus on Hamid Karzai International Airport and the Kabul Inland Clearance Depot. Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay comprises more than 25 percent of total revenue collected in the airport. It is expected that this figure will rise considerably with the closure of Da Afghanistan Bank (DAB) branches.

Afghanistan Customs Department (ACD) and DAB began discussions for the roll-out of E-Pay at Balkh, Hairatan, and Andkhoy later this year. ATAR continued to work with the DAB in efforts to move towards full-automation of E-Pay through the development and implementation of a software "patch." This patch will allow the DAB banking system and the ACD processing system to interact on an automated level and facilitate electronic acquittal of customs declarations.

Constraints and critical issues

Security concerns regarding ACD prevented ATAR's expatriate staff from embedding at the site. The staff conducted short visits and meetings at ACD where possible and relied as necessary on local ATAR staff who continued to work at ACD with intermittent security restrictions.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

ATAR updated newly appointed government officials on Afghanistan's progress toward WTO accession and the benefits of membership to the organization. At the request of the newly appointed Minister of Commerce and Industries, MOCI Deputy Minister Mozammil Shinwari, with ATAR support, gave a presentation on August 30 to the Minister of Commerce and other deputy ministers and directors on WTO commitments, benefits, and challenges. The Minister was convinced of the need to accelerate WTO accession and agreed that Deputy Minister Shinwari should deliver the presentation to the President.

Two days later, President Ghani's office for the first time requested MOCI send Afghanistan's WTO accession documents. MOCI sent Afghanistan's WTO accession documents, along with notes on the benefits and importance of WTO accession for Afghanistan, to President's Ghani's office following the request. The package included a note on competitiveness, which ATAR

> ### Afghanistan's WTO Progress
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> Afghanistan is in its final stages of WTO accession.
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> In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.
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> By March 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.
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> Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues.
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> Afghanistan's fifth Working Party meeting had been scheduled for November 2013 and for April 2014, but the meeting was cancelled both times due in part to the protracted Presidential election and delays in approval of the travel of the Afghan delegation.
>
> As a result of the efforts of MOCI, with support from ATAR, President Ghani was convinced of the benefits of WTO accession in early October and gave the green light for negotiations to proceed. Afghanistan's fifth Working Party, and likely final, meeting is slated for November 11, 2015.

developed in August. MOCI and ATAR began working to schedule a presentation at President Ghani's office on WTO commitments, benefits, and challenges.[3]

Throughout August and September, ATAR assisted the Ministry of Commerce and Industries (MOCI) and other ministries in preparing replies to 90 questions from the WTO that were mainly aimed at fine-tuning Afghanistan's Draft Working Party Report. As of the end of September, about eight policy-related questions required further consultations between MOCI and related ministries, particularly the Ministry of Finance and ACD.

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[3] A meeting regarding Afghanistan's accession to WTO occurred in early October between ATAR, MOCI, President Ghani, and his advisors. President Ghani subsequently gave clearance for Afghanistan to proceed with WTO negotiations and Afghanistan's fifth, and likely final, Working Party meeting was scheduled for November 11, 2015.

2. Support Legislative Reforms for WTO Conformity

The Afghan government must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. This lengthy, complex process is presented in simplified form in the chart.[4] These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization.

Throughout the quarter, ATAR continued to assist at every stage of the legislative process from line ministry to Parliament.

Afghanistan's Legislative Process

5. Presidential endorsement, or, upon President's rejection, passage by two-thirds approval of Lower House of Parliament

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4. Review and approval by Lower and Upper House of Parliament

⬆

3. Review and approval by Council of Ministers

⬆

2. Review and approval by Ministry of Justice

⬆

1. Draft initiated and approved by sponsoring ministry or government entity

The following table provides the status of WTO-related legislative items as of the end of September. ATAR's active areas of support for the quarter are highlighted in light blue, and laws that have progressed in status during the reporting period are bolded. Among the highlights of the quarter:

- The Ministry of Finance/ACD approved the Procedure on Advance Ruling on Binding Decisions in July.
- ANSA finalized the Law on Standards and Technical Regulations and sent the draft to MOJ in July.
- The Upper House of Parliament approved the Law on Plant Protection and Quarantine in June and sent the draft law to the President for signature in July.
- The Legislative Committee of the Council of Ministers approved the Law on Industrial Designs in July.
- The MOJ approved the Law on Protection of Trade and Industry Secrets and submitted the draft to the Council of Ministers in July.
- The Law on Geographical Indications was signed by the President and published in the official gazette in August.

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[4] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[5] 2. Ministry of Justice 3. Council of Ministers[6] 4. Parliament 5. President 6. Entry into Force	Laws/Reg-ulations Included in MOJ Agenda[7]
			AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION		
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	**Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)**	**ACD Wali Faqirzaad Brian O'Shea**	**The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.**	**Sponsoring Ministry**	N/A
4	**Law on Standards and Technical Regulations**	**Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat**	**In July 2015, ANSA's management board approved the draft law and sent it to MOJ.**	**Ministry of Justice**	**Yes[8]**
5	**Law on Plant Protection and Quarantine**	**Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores**	**In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.**	**President**	**Yes**
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting meetings on the draft. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes

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[5] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

[6] Regulations go to the Council of Ministers and do not proceed further.

[7] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

[8] Although not on the 1393 or 1394 agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During a meeting chaired by both deputy ministers in August 2015, MAIL and MOPH agreed both ministries will implement the law jointly and their jurisdiction will be defined in a regulation. ATAR provided technical support by preparing and reviewing the proposed language of the regulation. In September 2015, MAIL and MOPH continued discussions on areas of responsibility and jurisdiction.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In August, ATAR reviewed the comments, aligned them with WTO, and provided explanations to the Advisor of the Second Vice-President and other stakeholders. In September 2015, ATAR submitted the draft to MOJ. After reviewing comments and proposals of stakeholders, MOJ will resend the law to Council of Ministers.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entry into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization, which had proposed changes. MOJ and ATAR are reviewing the draft to ensure the changes are acceptable.	Council of Ministers	Yes
12	**Law on Geographical Indications**	**MOCI Wali Faqirzaad Polly Maier**	**The President endorsed the law on August 4, 2015, and it was published in official gazette on August 17.**	**Entry into Force**	**Yes**

13	**Law on Industrial Designs**	**MOCI** **Wali Faqirzaad** **Polly Maier**	**In July 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was sent to the Cabinet, and the Cabinet approved the law on August 25. ATAR is assisting MOJ in translating the law from Dari into Pashto. Upon completion, the law will be sent to the Lower House of Parliament.**	**Council of Ministers**	**Yes**
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	**Law on Protection of Trade and Industry Secrets (undisclosed information)**	**MOCI** **Siyar Sahar** **Polly Maier**	**In July 2015, MOJ submitted the draft to the Council of Ministers.**	**Council of Ministers**	**Yes**
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In August 2015, MOJ finalized the draft with ATAR support. The law will be sent to the Legislative Committee of the Council of the Ministers.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	In June 2015, ATAR met with the Minister of Commerce and Industries, who said he was prepared to resolve any problems agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In June 2015, the amendments on the law were submitted to the Legislative Committee of the Council of Ministers. In July 2015, ATAR updated the English version of the amendments.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During June 2015, ATAR had two sessions with MOJ on the draft.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft is finalized and will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A

23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's Director General act on the draft. ACD management changes delayed final signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On August 30, 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During April and May 2015, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entry into Force	Yes

3. **Support Implementation of WTO Laws and Commitments**

Intellectual Property Rights

International intellectual property conventions

During the quarter, ATAR delivered three presentations on intellectual property conventions to MOCI directorates assigned by the MOCI Deputy Minister to review the conventions.

ATAR delivered a presentation on the Paris Convention for Industrial Property on July 1, on the Singapore Treaty on the Law on Trademarks on August 3, and the Madrid Protocol of International Registration for Trademarks on August 15. ATAR explained the relation of the treaties with intellectual property and discussed the benefits of the treaties to Afghanistan.

At the end of the presentations, the MOCI directorates agreed on membership to the international conventions. Afghanistan was requested by WTO Working Party members to join these conventions as part of the country's accession to WTO.

In late August, MOCI sent an official letter to the Ministry of Foreign Affairs (MOFA) with documents requesting membership to the Paris Convention, Singapore Treaty, and Madrid Protocol. In September, ATAR followed up with MOFA to process the documents; the MOFA is in consultations with other ministries to ensure the conventions comply with the Afghan constitution and legal system.

Copyrights

In support of the Law on Copyrights, ATAR assisted MOIC's copyright office in August in preparing two forms for copyright registration – one for literary and scientific works and the other for artistic works. MOIC approved both forms, and MOIC is expected to start voluntary registration of copyrights this year.

Sanitary and Phytosanitary Measures

Food safety

In support of implementation of the Law on Food Safety, ATAR conducted training on food hygiene and food safety. In August and September, ATAR conducted six trainings on general principles of food hygiene for 12 MOPH staff and other stakeholders. The training will enable the participants to serve as instructors who will deliver the training to members of the government, private sector, and academia.

In September, ATAR provided two trainings for three MOPH employees on the WTO sanitary and phytosanitary process for determining the equivalence of different food safety systems. ATAR held a third session at the end of the month as a review and to discuss the actions that MOPH will need to take to establish an equivalence system. Equivalence is an important WTO concept and is designed to simplify trade by having WTO members accept, where feasible, the technical regulations and conformity assessment procedures of other trading partners.

ATAR delivered five trainings on food hygiene and food safety for MOPH staff and other stakeholders.

On September 30, ATAR conducted a training session for 13 MOPH staff and other stakeholders on the draft Law on Food Safety. The session highlighted changes made to the law after it underwent review at MOJ.

In an effort to help provide Afghanistan with specialists to implement the Law on Food Safety, ATAR compiled, edited, and began translation of twelve chapters of materials for a course on "Introduction to Food Safety" to be presented at the Kabul University-School of Agriculture and the National Agricultural Education College. ATAR provided the professors with the Dari and English versions of chapters one and two of the proposed curriculum for their review.

Phytosanitary

In July and August, ATAR had two roundtable discussions with MAIL's Plant Protection and Quarantine Department (PPQD) to review procedures in support of the Law on Plant Protection and Quarantine. The feedback is being incorporated to improve the procedures.

ATAR also assisted the PPQD in developing Pest Risk Assessments (PRAs) following a five-day training the project conducted on PRAs in May. In August, ATAR monitored the efforts of three groups who are researching and collecting data for the PRAs. ATAR translated two PRAs into Dari and sent them to the PPQD in preparation for further training. PRAs support implementation of the Law on Plant Protection and Quarantine by helping identify risks in commodities being imported, thereby guarding against the

accidental import of pests harmful to Afghanistan's agriculture.

Laboratory analysis

ATAR performed an assessment of the MAIL's veterinary laboratories and MOPH's food and pharmaceutical testing laboratories to help prepare the labs for future accreditation with the International Organization for Standardization (ISO). The laboratories will ensure high-quality goods are exported from Afghanistan and imported into Afghanistan.

ATAR's assessment covered lab infrastructure, including working space, power, plumbing, storage, ventilation, and safety; equipment, including available equipment and equipment needs; standard operating procedures; and proposed organizational charts with current and recommended personnel.

On Sept. 19, ATAR also delivered a training workshop on methods and requirements of ISO17025 tests, calibration, and validation to 16 staff from MOPH drug and food laboratories.

ATAR delivered training to MOPH staff on requirements for ISO17025 tests.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology support

ATAR completed a needs assessment for establishing a National Metrology Institute in Afghanistan and preparation of a draft model law on legal metrology covering legal units of measurement. ATAR shared the package with ANSA for consideration and formation of working group to draft Afghan legislation based on the model law.

5. Assist in Building Analytical Capacity

Trade Policy Analysis Unit

ATAR supported MOCI's Trade Policy Analysis Unit (TPAU) in developing partial equilibrium models to assess the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare. ATAR assisted TPAU in identification of 15 economic sectors in which Afghanistan has the potential for the development of production and export, including agricultural goods, industrial sectors, and food processing industries such as wheat and wheat flour production.

In September, ATAR demonstrated application of economic models by running WTO accession scenarios. Based on the simulations, imports and revenue of Afghanistan will not be affected as result of WTO membership, and exports may increase in long run up to 20 percent to the WTO member countries, which may provide an additional increase of 1.8 percent to the gross domestic product.

6. Assist in Building WTO Awareness

ATAR finalized and delivered presentations to raise awareness of the benefits and challenges of WTO accession to a range of audiences in partnership with MOCI. ATAR delivered a WTO awareness presentation to about 50 students and professors from Kabul University on September 16; 15 officials from the media and MOCI, ACD, and ANSA on September 21; and 10 representatives of the private sector on September 28. MOCI's Director General and MOCI's Trade

MOCI's Director General spoke at a training to raise awareness of the WTO.

Expert from the WTO unit supported ATAR in delivering the presentations.

MOCI's Trade Expert delivered the final presentation largely on his own, with limited support from ATAR. These initial presentations are preparing the WTO Unit, with ATAR's assistance as necessary, to deliver WTO awareness sessions in the project's third year to targeted audiences in Kabul and possibly other provinces.

ATAR drafted a one-year WTO accession campaign and public outreach program for discussion with MOCI. In support of the outreach program, ATAR completed preparing presentations covering WTO

commitments and impacts for Afghanistan; WTO impacts for Afghanistan and recent WTO members; WTO impacts on regional trade and economic relationships, addressing trade with Pakistan; and WTO commitments of individual Afghan ministries. ATAR also prepared a briefing paper, "The Realities of Afghanistan's WTO Accession: Countering the Myths," and related talking points and shared the documents with MOCI and MAIL.

Component 1: Planned Activities

- Continue dialogue with the President's office and preparation of requested materials for issues of concern to the President
- Assist in updating and finalizing the WTO accession package
- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting in November 2015 and the WTO Tenth Ministerial Conference in Nairobi in December 2015
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue support in development of implementing legislation/procedures and building capacity to implement food law, plant quarantine, veterinary law, intellectual property laws
- Launch support in developing implementing legislation/procedures for the Law on Safeguards and build capacity of the safeguards unit at MOCI
- Launch support related to development of draft Law on Anti-Dumping Duties and Law on Countervailing Duties
- Launch support to developed capacity of competition policy authority at MOCI
- Assist MAIL and MOPH in conducting internal audits of their food safety laboratories based on ISO 17025 and correcting any deficiencies
- In conjunction with MOPH and other stakeholders co-deliver food safety training at MOPH, MOCI, Kabul University, and the National Agricultural Education College.
- Continue support for applying to intellectual property conventions
- Conduct WTO awareness events
- Continue supporting the TPAU including launching the development of a general equilibrium model

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D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. **Afghanistan**

Trade/Business Promotion

ATAR supported Afghanistan's participation in an international exposition in Italy and prepared for the participation of Afghan traders in two regional trade events in India, a business-to-business event in Dubai, and one event in Kazakhstan. These events help to boost the image of Afghanistan's exports and pave the way for business deals for Afghan traders.

ATAR supported EPAA in organizing and running the Afghan Pavilion at Expo Milano, which began May 1 and will run through Oct. 31, in Milan, Italy. In Milan, ATAR drafted a plan and agenda for a

"Day of Afghanistan" event, including holding meetings with different Expo Milano offices; prepared a video highlighting Afghanistan's participation, including conducting interviews with visitors and an Expo Milano official; and supported EPAA in other logistical and organizational tasks in the pavilion. EPAA said the pavilion receives about 2,000 visitors each day, and its restaurant was ranked among the top restaurants at the exposition, which involves about 140 countries.

In an effort to increase Afghanistan's trade with India, ATAR coordinated with USAID's Regional Agricultural Development Program-South (RADP-S), USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP), and USAID's Financial Access to Investing in the Development of Afghanistan (FAIDA) to prepare for an Afghan Pavilion at the India International Trade Fair to be held November 14-17 in New Delhi, India. ATAR began assisting about 40 interested Afghan exhibitors to book their exhibition space online. ATAR

Visitors toured the Afghanistan Pavilion at Expo Milano 2015.

will support the participation of six women traders in the show by providing them with exhibition space and will train them as well as ten other women traders supported by UN Women.

ATAR and EPAA also planned for a "Made in Afghanistan" branding event in India with the Federation of Indian Chamber of Commerce and Industries (FICCI), RADP-S, and CHAMP. The event is anticipated to occur in December 2015. FICCI plans to invite about 150 Indian importers of fresh and dried fruit, and EPAA will invite about 50 Afghan traders.

ATAR and USAID's Assistance for Building Afghanistan by Developing Enterprises (ABADE) worked together to promote Afghan carpets to American buyers. ABADE invited 20 buyers from the United States for a business-to-business meeting in Dubai in August. ATAR identified 25 Afghan carpet producers who participated in the event and assisted the carpet producers in preparing their company profiles.

In support of trade opportunities between Afghanistan and Kazakhstan, ATAR, EPAA, and USAID's Regional Economic Cooperation (REC) project identified Afghan participants for the Central Asian Trade Forum (CATF) that will take place in Almaty from October 28-29. ATAR worked with EPAA to identify

42 Afghan participants for CATF, which is being supported by REC. ATAR is coordinating with the participants for their Kazakh visas and providing technical assistance.

TIR awareness

ATAR continued support to Afghanistan in helping Afghan exporters and transport operators in utilizing the Transports Internationaux Routiers (TIR) Convention.

On August 10, ATAR and MOCI held an event to brief transport operators and other stakeholders on TIR. Thirty-five participants attended, including representatives from the Ministry of Transport and Civil Aviation

> **What is TIR?**
>
> Transports Internationaux Routiers (TIR) is a customs transit system that simplifies the movement of cargo across at least one border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

(MOTCA), ACD, Afghanistan Chamber of Commerce and Industries (ACCI), MOFA, Association of Afghanistan Freight Forwarding Companies (AAFFCO), and Afghanistan's traffic police. Participants discussed green lanes/express lanes for TIR operators, and ATAR briefed the group on upcoming TIR events, including a TIR Roundtable held on August 23 and a TIR Workshop on August 24-25. ATAR assisted in preparation of these events with the International Road Transport Union (IRU), MOCI, MOTCA, ACD and ACCI.

ATAR held a briefing on TIR and upcoming TIR events for transport operators.

On August 15, ATAR attended a National Conference on Surface Transportation. ATAR's previous discussion and recommendation on the National Transport Association and revision on transport laws were on the agenda. ATAR participated in a working group held during the event to discuss TIR and

transit. MOTCA organized the event with participation from the President's office, the Ministry of Public Works, ACCI, and AAFFCO.

In September, ATAR conducted a meeting with MOTCA and ACCI. Participants decided at the meeting that the National Transport Association will be an entity supported by the new transport laws to be created in MOTCA. The National Transport Association will house an IRU Academy that will run TIR and transport-related courses for the private transport sector.

Preparation for regional trade meetings

ATAR began supporting MOCI in preparing for the Tenth Meeting of the South Asia Free Trade Area (SAFTA) Committee of Experts and the Ninth Meeting of the SAFTA Ministerial Council in Kabul. ATAR and MOCI planned activities for the event, finalized the venue, and identified communications material. The meetings, which had been anticipated this quarter, are now expected to occur in the first quarter of 2016.

> **What is SAFTA?**
>
> The South Asia Free Trade Area (SAFTA) is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC).

ATAR also assisted MOCI in compiling issues to be taken up in the 10th Pakistan-Afghanistan Joint Economic Commission (JEC) meeting. The meeting had been scheduled to be held in Islamabad in August, but was postponed. The new date has yet to be finalized.

In addition, ATAR also continued to assist MOCI in updating issues related to the Afghanistan Pakistan Transit Trade Agreement (APTTA) and preparing for the next Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting. The APTTCA meeting was scheduled for September but was postponed. The Afghan and Pakistani governments are confirming the new date.

> **What is APTTA?**
>
> The Afghan and Pakistani governments signed the Afghanistan Pakistan Transit Trade Agreement (APTTA) in October 2010, and Afghanistan ratified the agreement in January 2011. APTTA replaced an outdated 1965 transit agreement and improved the joint transit system. The Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) was created to administer and oversee APTTA.

ATAR provided online technical support in clarifying provisions and best practices to the Afghan delegation during the second round of negotiations on the Lazuli Trade and Transit Agreement held in Georgia in August 2015. The Lapis Lazuli Corridor aims to facilitate transit and trade cooperation among Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey and would provide a cost-effective route connecting Asia and Europe.

Trade facilitation support

ATAR assisted ACD in July on a bilateral Agreement on Mutual Administrative Assistance and Cooperation on Customs Matters intended to be reached between Afghanistan and Pakistan. After review of a proposal from Pakistan, ACD requested that ATAR assist in drafting new legal text for the agreement

as a counterproposal from Afghanistan. ATAR drafted and submitted to ACD new text for the agreement. Apart from the mutual administrative assistance, which is in line with a World Customs Organization (WCO) model, the Afghan proposal has a wider scope, including other areas of cooperation such as establishment of joint customs controls at the common borders and creation of customs exclaves in the territory of either country.

In an effort to promote investment from India and Pakistan, ATAR assisted MOCI during the quarter in identifying regulatory issues that need to be addressed following a request from President Ghani that MOCI identify impediments in bringing investment from India and Pakistan. ATAR assisted MOCI in developing an action matrix for investment promotion.

ATAR also began working with FAIDA and EPAA to facilitate loans for Afghan exporters using a memorandum of understanding between EPAA and Afghanistan International Bank and Afghanistan Rural Finance Company under which EPAA can recommend Afghan exporters to obtain export credit from these financial institutions at a 2 percent lower interest rate. ATAR helped support the development and signing of this memorandum in April 2015.

In addition, ATAR assisted CHAMP in July in preparing a proposal requested by MOCI on an export fund through which agricultural exporters could have easy access to credit. The Minister of Commerce and Industries informed CHAMP that the ministry had funds that can be used for this purpose. CHAMP sent the proposal to MOCI.

ATAR worked with the Afghanistan Marble Association (AMA) to promote Afghan marble abroad. The Afghan government had introduced a ban on the export of Afghan marble in rough form. ATAR assisted the association in working with the Afghan government to remove the ban. The Afghan government withdrew the ban during the quarter after AMA raised the issue with the government.

2.   Kyrgyzstan

WTO TFA

Kyrgyzstan's first WTO Trade Facilitation Agreement (TFA) working group meeting, which was sponsored by GIZ, was on held on July 24. The working group members included officials from the Ministry of Economy, the customs policy department and trade policy departments, the customs brokers association, the suppliers association, the Single Window Enterprise, the veterinarian and phytosanitary departments, and the Kyrgyz Chamber of Commerce and Industry.

> **What is WTO TFA?**
>
> The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO Revised Kyoto Convention (RKC) provisions, a number of improved provisions in existing WTO agreements, and new trade facilitation provisions. This new agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights. The agreement will enter into force when two-thirds of the WTO member countries submit a letter of acceptance to the WTO Trade Facilitation Committee.

ATAR conducted a presentation of the tasks to be performed by the working group. During the session, the group divided the 40 sub-articles into three categories and assigned three groups to review them and determine the next steps required to begin work necessary to gain compliance.

ATAR supported subsequent TFA working group meetings that occurred about twice a week throughout the quarter. ATAR worked with the Kyrgyz Customs' Risk Management Department to draft an action plan related to risk management and post-entry control issues under the WTO TFA.

In a further effort to facilitate the ratification of the WTO TFA, ATAR supported official translation of the TFA to the Kyrgyz and Russian languages in August. The translations were sent to the TFA Working Group and the Ministry of Economy, and the agreement was placed on a Kyrgyz trade information website (http://www.trade.kg).

CBTA

In August, ATAR met with the deputy head of the International Relations Department of the Ministry of Transport on the status of the Cross Border Transport Agreement (CBTA). The Ministry said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to CBTA and sent a letter to the Ministry of Justice for further approval by resolution of the Kyrgyz government. The Kyrgyz government is expected to hold an inter-agency meeting on the protocol in November.

AEO

ATAR continued working on developing recommendations for establishing an Authorized Economic Operators (AEO) program in Kyrgyzstan. In August, ATAR translated parts of the Customs Union Code that pertain to authorized AEO and recommended an amendment to the draft customs code of Kyrgyzstan. ATAR recommended the threshold for becoming an AEO be reduced from €500,000 as that level is restrictive for most Kyrgyz companies. Such a program would enable customs to move low-risk cargo expeditiously through the ports of entry and border crossing points.

> **What is CBTA?**
>
> The Cross Border Transport Agreement (CBTA) between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the Central Asian Economic Cooperation (CAREC) region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.
>
> Afghanistan signed the accession protocol to join the CBTA in November 2011. However, due to discrepancies in the English and Russian versions of CBTA, the countries agreed to re-sign the protocol.

> **What is an AEO?**
>
> An AEO is defined by the WCO as a party involved in the international movement of goods, that has been approved by, or on behalf of, a national customs administration as complying with WCO or equivalent supply chain security standards. A person having AEO status will be granted special trade facilitation privileges.

Customs Consultative Council

In August, ATAR supported preparation for the next Customs Consultative Council, which occurred October 1, by assisting in drafting an agenda for the review of businesses and Kyrgyz Customs.

3.   Tajikistan

Support to the Tajikistan State Customs Service

ATAR continued to develop the model concept for an AEO program for the Tajikistan State Customs Service. The model includes criteria for participation, benefits, operational aspects, proposed amendments to the customs code, and a methodology for implementation.

In August, ATAR held two roundtables to promote awareness of AEO best practices, criteria, and principles most suitable for adaptation in Tajikistan. On August 27, ATAR held a roundtable targeting customs brokers, transport and logistics company representatives, customs officers, and representatives from the Ministry of Economic Development and Trade. On August 31, ATAR held a second roundtable for the Tajik State Customs Service, which is preparing to amend customs legislation to enable an AEO program.

In an effort to improve the post clearance audit (PCA) approach of Tajikistan State Customs Service, ATAR conducted a five-day training program in mid-September on PCA at the Customs Institute for Professional Development in Tajikistan. Thirteen participants, mainly from the Tajikistan State Customs Service, participated in the training. ATAR also held a roundtable targeting customs brokers and

> **What is PCA?**
>
> Post clearance audit is an audit-based customs control performed subsequent to the release of cargo from customs' custody. The purpose of such an audit is to verify the accuracy and authenticity of declarations and covers the control of traders' commercial data, business systems, records and books.

ATAR held a five-day training on customs post clearance audits in Tajikistan.

representatives of transport and logistics companies to promote awareness of how to prepare for and comply with a customs audit.

In addition, ATAR contributed to an action plan for the Tajikistan State Customs Service to achieve compliance with the WCO Revised Kyoto Convention (RKC). ATAR's contribution was based on analyses conducted by USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project in May 2013 and was shared with the GIZ trade facilitation team upon the request of the Ministry of Economic Development and Trade. During this quarter, the Tajikistan government ratified a decree confirming their commitment to achieve compliance with the RKC; ATAR, in partnership with GIZ, will work with the Ministry of Economic Development and Trade and Tajik Customs for the adoption of this plan.

Support to the Ministry of Economic Development and Trade

On July 14, ATAR participated in a working group called "Modernization of the system of food safety control in Tajikistan" organized by USAID's REC project. ATAR discussed the impact of food safety measures that may be introduced at cross-border stations with respect to cargo in transit. The Ministry of Economic Development and Trade will submit a proposal to the Tajik government on the adoption of a single agency of food safety control.

Private-sector support

On July 24-25, ATAR collaborated with the Sughd Regional Administration and other donors on a regional trade fair called "Sughd-2015" in Khujand. The fair brought together more than 100 exhibitors from Afghanistan, Belarus, Kazakhstan, Kyrgyzstan, Latvia, Poland, Russia and Turkey from sectors such as agriculture, light industry, food production, services, and construction materials. The fair was preceded by a trade forum discussing ways to facilitate trade and exports of the Sughd region.

ATAR collaborated with the Sughd Regional Administration on a regional trade fair in Tajikistan.

ATAR circulated the event invitation to Afghan producers, ACCI, and Kabul Chamber of Commerce and Industries (KCCI). ATAR participated in both the forum and the fair, identifying and meeting with Afghan participants and discussing opportunities for Afghan private-sector involvement in a similar event to be conducted in 2016 in the southern region of Khatlon to be sponsored by UNDP's Aid for Trade and the project for Livelihood Improvement in Tajik-Afghan Cross- border Areas (LITACA) with the Khatlon and Sherkhan Bandar business councils.

PATTTA

In August, ATAR continued to support the Ministry of Economic Development and Trade, the State Customs Service and the Ministry of Transport on the proposed Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA).

On August 4, ATAR conducted a meeting to discuss progress on PATTTA as well as to finalize the Russian text of the Tajik counter-proposal. The third trilateral forum on the proposed agreement is expected to be held in Kabul.

> **What is PATTTA?**
>
> PATTTA would extend the Afghanistan Pakistan Transit and Trade Agreement (APTTA) to Tajikistan, providing Pakistan and Afghanistan with access to Central Asian countries and providing Tajikistan with access to Pakistan's seaports by way of Afghanistan. PATTTA would also improve upon APTTA by better facilitating trade and reducing costs.

4.   **Turkmenistan**

Export promotion support

ATAR explored the possibility of the Turkmen textile industry meeting Afghan buyers' needs and cooperation between Afghan businesses and Turkmenistan's Ministry of Textile Industry. ATAR held two meetings with the head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. In the first meeting, fabric samples from Afghanistan were presented to identify production potential of Turkmen factories to produce materials for Afghanistan. In the second meeting, the head of the department provided fabric samples produced by Turkmen factories for Afghan counterparts. ATAR gave samples of the fabrics produced by the Turkmen factories to the Chairman of Afghanistan's Balkh Chamber of Commerce and Industry to assess the quality.

ATAR also provided USAID's Regional Agricultural Development Program-West (RADP-W) project in Afghanistan with Turkmen fruit and vegetable market information to identify the potential to export Afghan agricultural products to Turkmenistan.

ATAR researched market demand for grapes, tomatoes, and cucumbers and facilitated contact with the Turkmen Transportation and Logistics Co., which has trucks on both sides of the border to transport produce from Afghanistan to Turkmenistan. In addition, ATAR provided Berouge Paints Co. in Afghanistan with Turkmen market information to develop a strategy to enter the Turkmen market and facilitated contact with Transportation and Logistics Co. to deliver Berouge Paints to Turkmenistan.

Quarterly activity plan and proposals

ATAR prepared and submitted the project's quarterly activity plan for October through December to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. At the request of USAID/Ashgabat, ATAR proposed technical assistance, in response to governmental interest, to deliver export development training for carpet industry representatives and proposed a seminar on export promotion strategies for the Institute on Research of Commodity Circulation of Turkmenistan's

National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan.

ATAR also prepared and submitted technical assistance proposal for the State Association "Turkmencarpet." ATAR submitted the proposal to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. ATAR's proposed technical assistance included training for the carpet industry representatives; facilitation of business-to-business matchmaking events for carpet industry officials to meet potential business partners; preparation of an export promotion strategy for the Turkmen carpet industry; and facilitation of Turkmenistan's participation in the Domotex carpet exhibition in Germany.

5.   **Uzbekistan**

Customs support

During a meeting in July with USAID/Almaty, Uzbek customs expressed appreciation for the May 2015 training provided by ATAR on risk management and AEO and wanted to know whether ATAR could support with respect to risk management software. ATAR began looking into the matter and seeking further clarification on their needs.

In August, ATAR finalized a proposal for customs valuation training and shared the proposal with the Association for Development of Business Logistics (ADBL). ATAR started preparing additional proposals for training Uzbek customs on post-clearance. Once finalized, these proposals will be submitted through official letter for consideration by authorities.

Trade facilitation

In September, ATAR launched a trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

After preparing a questionnaire, ATAR began collecting data from transportation/logistics and customs brokerages. The Uzbek Chamber of Commerce and Industries and ADBL are supportive of this effort and assisted in data collection. They also committed to facilitating the presentation of report, once prepared, for public discussions among stakeholders.

Per request of ADBL, ATAR also reviewed a concept presentation for establishing a major logistics center in Uzbekistan. ATAR prepared comments for meeting best practices and shared these with ADBL in August.

6. Cross-Cutting

TIR Convention

On July 20-24, ATAR visited New Delhi, India, to assess the country's readiness to accede to the TIR Convention. ATAR interviewed FICCI, All India Transporters Welfare Association (AITWA), the Asia Institute of Transport Development (AITD), and private transport operators.

ATAR concluded that it was premature for the country to accede to TIR. The country has a significant maritime industry, which lowers the importance of land transport. However, India is interested in referring to TIR technical elements to draft a regional motorway act with Nepal and Bhutan.

Country-specific action plans

ATAR completed developing country-specific action plans based on its regional study on comparative advantages and trade complementarity.

Component 2: Looking Forward

- Continue to support the PATTTA process
- Continue to support the Lapis Lazuli process
- Complete development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for integrated border management
- Promote WTO TFA ratification in Kyrgyzstan
- Launch in Kyrgyzstan detailed conformity assessment with WCO RKC
- Build post-clearance audit capacity of Kyrgyz Customs
- Continue trade route mapping study linking Uzbekistan and India and Arabian Sea
- Continue supporting SAFTA implementation
- Support EPAA in building export promotion capacity of Afghan consulates/embassies
- Continue supporting EPAA in its participation in Expo Milano 2015
- Participate in CATF in Almaty in October 2015

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. **Support Regional Integration**

ATAR assisted ACD on the draft memorandum of understanding (MOU) with the United Arab Emirates regarding closer cooperation on exchange of information. The MOU is under review by the Ministry of Foreign Affairs.

2. **Institutionalize the Border Management Model**

ATAR continued to monitor the implementation of the Border Management Model (BMM) through weekly reporting from regional staff. The weekly reports highlight examples of best practices and areas of concern that need to be raised with ACD's Director General.

3. **Strengthen the Customs Code and Customs Policies**

> **What is BMM?**
>
> Afghanistan's Border Management Model (BMM) establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders.
>
> The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

ATAR continued to support ACD in a review of its customs regulations and procedures to help ensure that they are aligned with international standards. ATAR concentrated its technical assistance on reviewing and improving the PCA legislation with the legal department. At the present time, the legislation supports post clearance activities as an enforcement function and not as a compliance function as supported by the WCO.

4. **Implement Risk Management Systems**

ATAR progressed risk management with support to ACD's risk management working group, risk management training to ACD officers, and installation of new equipment for the national anti-smuggling hotline.

ATAR met with ACD's Director of Enforcement and members of the risk management working group to discuss progress in analyzing Jalalabad data. The working group analyzed the data and provided ATAR with a brief overview. The analyses will be used to determine changes to risk categories and project the number of future examinations in green (release), yellow

> **What is Risk Management?**
>
> In the past, ACD policy required all imports and exports undergo a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.
>
> In 2012, ACD implemented a revised strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to focus on trade transactions that pose the greatest risk and allow other trade transactions to be cleared with minimal or no controls.

(documentary check) and red (examination) lanes, which will assist in focusing resources on non-

compliant trade. The risk management working group will next begin working on an analysis of data from Herat.

On August 24, ATAR delivered refresher training in completion of the Automated System for Customs Data (ASYUCUDA) Profile Request 1 (APR1), which is used for request and approval of risk profiles, to 14 ACD officers, including those from the risk management working group.

ATAR delivering risk management training to ACD officials.

5.   Implement Electronic Payment of Customs Duties

The pilot phase of electronic payment, or E-Pay, of customs duties continued with a focus on Hamid Karzai International Airport (HKIA) and Kabul Inland Clearance Depot (ICD). Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay comprises more than 25 percent of total revenue collected in Hamid Karzai International Airport. It is expected that this figure will rise considerably with the closure of DAB branches. ATAR had worked closely with DAB and ACD to reach an agreement on electronic payment and implement the system.

A representative of an Afghan telecommunications company (right) checked with an ACD official if a release note was ready following the company's E-Pay of customs duties.

On August 12, ATAR met with representatives of AWCC, MTN, and Roshan to enquire about their use of E-Pay. Overall, participants offered positive feedback, citing the ease of paying electronically and reduced expenses since they do not have to provide security for the transport of cash. They also had recommendations for improvement that ATAR will bring to the attention of ACD and DAB.

ACD and DAB began discussions for the roll-out of E-Pay at Balkh, Hairatan, and Andkhoy later this year. ATAR continued to work with the DAB in efforts to move towards full-automation of E-Pay

through the development and implementation of a software "patch." This patch will allow the DAB banking system and the ACD processing system to interact on an automated level and facilitate electronic acquittal of customs declarations.

6. Increase Gender Representation in ACD

ATAR's second internship program at ACD began with the recruitment of four female interns in September. In addition, ATAR started with the process of recruiting five males for the program. ATAR held its first internship program in late 2014, placing young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector.

7. Reduce Corruption at ACD

ACD reviewed ATAR documents on the Internal Audit Unit and Professional Standards Unit. In September, ATAR submitted a summary of each unit, as requested by ACD after review. ATAR will meet with the ACD Director Support and Development to progress this initiative including the implementation of working groups in each area.

In August, at the Jalalabad ICD, ATAR assisted ACD in implementing a sterile office environment in the entry processing unit to reduce interaction between brokers and traders with customs officers and decrease opportunities for corruption. ATAR will support ACD's implementation of this method in other regions.

8. Implement Outreach Programs

ATAR will support ACD in an outreach campaign for the national anti-smuggling hotline after a date has been decided for the public launch. ATAR will also support ACD in distributing e-pay marketing materials at customs sites in the regions and support ACD to implement an awareness campaign on currency control. The Director General requested support in in reviewing customs currency controls at HKIA and to increase awareness of the rules on customs declaration for cash taken out of the country.

9. Support Streamlined Customs Procedures

ATAR regional specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The latest status report highlights that all ICDs have introduced additional steps. ATAR will work with ACD to review additional steps to determine whether they should be removed or not.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9

TOTAL	**18**	**20**	**19**	**18**	**22**

In addition, ATAR monitored the release times of consignments allocated to either the green (release), yellow (documentary check), and red lane (examination). The latest release times are below.

	Green	Yellow	Red
Herat ICD	45 minutes	1 hour 10 minutes	1 hour 30 minutes
HKIA	N/A	N/A	N/A
Jalalabad ICD	54 minutes	1 hour 6 minutes	1 hour 40 minutes
Balkh ICD	1 hour10 minutes	1 hour 30 minutes	2 hours
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Shir Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes

10. Strengthening the TIR and Transit Regimes

ATAR continued to support ACD in reviewing transport legislation and developing a TIR and transit procedure. In August, with ATAR support, the TIR National Committee finalized a TIR regulation that includes duties and responsibilities of each TIR line organization, such as ACD, MOTCA, and the Afghan Border Police, and the TIR National and Technical Committees. The TIR regulation was sent to MOJ and will be shared with the Afghanistan Cabinet for final approval and implementation.

In September, ACD finalized the TIR procedure with ATAR's support. The procedure included a TIR glossary and duties and responsibilities of departure, in-route, and destination customs houses. The procedure will be shared with ACD's Operations Director and then requires final approval by the Director General and Minister of Finance.

11. Support ANCA

ATAR finalized draft standard operating procedures (SOPs) for Afghanistan National Customs Academy (ANCA), and ACD's Director of Support and Development is reviewing the SOPs. ANCA trainers also finalized the review of customs induction material developed by the Border Management Task Force (BMTF) and continued to develop trainers' notes for each module.

At ANCA's request, ATAR printed BMTF presentations to form the basis of a training library. ATAR also completed management modules in introduction to management; role of a manager; leadership; communication; decision-making; influencing; motivation; problem solving; team building; time management; effective presentation skills; and chairing meetings. These modules will include exercises for the trainees to allow them to transfer theory into their daily business environment. ATAR printed those modules as part of the library.

ATAR and ACD agreed on a timetable for ATAR to provide "how to deliver" training on subjects including mobile verification teams; intelligence; APR 1 forms; pocket notebooks; selectivity and targeting; and risk management.

Component 3: Looking Forward

- Continue regional work with ACD
- Progress the full implementation and automation of e-payment
- Continue to assist ACD in reviewing regulations and procedures
- Support ANCA in reviewing training material, developing new material, and delivering training
- Support ANCA in implementing training curriculum and standard operating procedures
- Continue implementation of the enforcement plan
- Support publicity launch for national anti-smuggling hotline
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Assist ACD in the development and support of working groups tasked with implementing the Internal Audit Unit and Professional Standards Unit
- Support of implementing a professional post clearance audit function
- Provide technical assistance to ACD in TIR and Transit
- Continue to draft appropriate modality assessment for collection of customs revenue in Pakistan
- Develop training modules in management and leadership skills
- Support risk management working group and PCA working group
- Recruit for and support new internship program

F. ACTIVITY IMPLEMENTATION

ATAR Project Objective: Improved trade environment for Afghanistan, fostering increased investment, export, and market-based employment opportunities

USAID Afghanistan DO1: Sustainable, Agricultural-led Economic Growth Expanded
USAID OEG Afghanistan Mission PMP IR 1.1: addressed: Employment Opportunities
USAID OEG Afghanistan Mission PMP Sub-IR 1.1.4: addressed: Regional Trade Increased

USAID Afghanistan DO3: Performance and Legitimacy of Government of the Islamic Republic of Afghanistan (GIROA) Improved

USAID OEG Afghanistan Mission PMP IR 3.1: addressed: Citizens Hold the Government of the Islamic Republic of Afghanistan (GIROA) Accountable
USAID OEG Afghanistan Mission PMP Sub-IR 3.2.2: addressed: Policies and Procedures Improved

Indicator Table[9]

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit)	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO)	$6.8 billion in 1393 (ACD)	$6.8 billion in 1393 (ACD)	Tracking only	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in 1393 was $6,797,675,878.64 based on ACD data, including imports ($6,297,561,293.97) and exports ($500,114,584.66).
2	Growth in (real) gross domestic product (GDP) per capita	Outcome/ Impact Required by Prime Contract	By sector	Central Statistics Organi-zation (CSO), World Bank Report	Annual	$21 billion in 1391 (CSO)	$20.8 billion (2014) World Bank Statistics Data	$20.8 billion (2014) World Bank Statistics Data	Tracking only	Missions are not expected to report on this indicator. The information is tracked by USAID's Economic Growth and Trade (EGAT). Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

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[9] Annual statistics gathered by GIROA are reported according to the Afghan solar calendar, in which 1391 covers March 2012 to March 2013; 1392 covers March 2013 to March 2014; and 1393 covers March 2014 to March 2015.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
3	Foreign trade (X-M) as a percentage of GDP	Outcome/Impact Required by Prime Contract	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world.
4	Value of goods imported to the U.S. taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD, CSO	Annual	$123,500 (1391)	Will be reported next quarter	Will be reported next quarter	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Export	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$500 million in 1393 (ACD)	$500 million in 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Disaggregation by country: exchange rate $1=57.38 AFN India = $152.69 million; Pakistan = $141.51 million; UAE = $41.81 million; Turkey = $29.83 million; Tajikistan = $29.55 million; Iran= $19.78 million; Others = $71.48 million
6	Import	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$6.29 billion 1393 (ACD)	$6.29 billion 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Note: Based on ACD's data in 1393, total value of Afghanistan imports was $6.29 billion. Disaggregation by country: Exchange rate $1=57.38 AFN Pakistan = $1.18 billion; China = $1.41 billion; Iran = $973.75 million; Turkmenistan = $382.54 million; Kazakhstan = $371.14 million; Japan = $329.77 million; Uzbekistan = $300.63 million; Malaysia = $292.92 million; Others = $1.31 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	184 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of Doing Business rank	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	183 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
9	Number of public policies introduced, adopted, repealed, changed or implemented consistent with citizen input	Outcome/ Impact USAID requested indicator	Policies introduced Policies adopted Policies repealed Policies changed Policies implement-ed	Project/ program document-ation, direct observatio n, analysis of secondary data and third-party observatio n (i.e. monitoring of public policy by local NGO)	Annual	0	0	0	Tracking only	Public policies include any law, regulation, policy or similar directive that is formally adopted by either the legislative branch or a unit of the executive branch at any level.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
10	Reduction in discrepancy between the Central Statistics Office and ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	19.90%	19.90%	10%	The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage.
PIR 1.1: WTO accession process finalized										

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
11	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	24	6	30	Bringing the legal framework in line with WTO agreements is a pre-condition for becoming a member. This indicator will capture progress made when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. 1. Law on Plant Protection and Plant Quarantine submitted to the Council of Ministers by MOJ 2. Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 3. Law on Indication of Production Place submitted to Council of Ministers by MOJ 4. Law on Trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 Customs Law submitted to Council of Ministers by MOJ 6. Amendments to the Patents Law submitted to Councils of Minister by MOJ 7. Procedure on Intellectual Property Border Enforcement submitted to the Minister of Finance for signature 8. Procedure on Intellectual Property Border Enforcement came into force on April 12, 2014 9. Draft Copyright Law submitted on July 27, 2014, to the Council of Ministers by MOJ. 10. Draft Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 11. Draft Law on Indication of Production Place submitted to Parliament in Oct. 11, 2014 12. Draft Law on Trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014 13. Trademark Law approved by Upper House. 14. Trademark Law endorsed by President. 15. Topography of Integrated Circuits Law sent to MOJ. 16.Draft Law on Plant Protection and Quarantine approved by Economic Commission of the Lower House 17. The Geographical Indications Law approved by the Parliament 18.The Trademark Law published by MOJ and came into force 19. Ministry of Finance/ACD approved the Procedure on Advance Ruling on Binding Decisions on July 14, 2015 20. The draft Law on Standards and Technical Regulations was submitted to MOJ in July 2015 21. MOJ submitted the draft Law on Trade Secrets to the Council of Ministers July 7, 2015 22. MOJ submitted the draft Law on Industrial Designs to Council of Ministers on July 20, 2015 23. The Law on Geographical Indications was endorsed by the President August 2015 24. The Law on Geographical Indications was published in the official gazette in August 2015
12	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	9	1	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 2. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification 4. Institutional proposal accepted by MAIL PPQD for establishing three Pest Risk Assessment Units 5. Voluntary copyright registration mechanism established at MOIC

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
13	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	39	0	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. 1. Twelve procedures related to Law on Food Safety drafted and agreed by working group at MOPH 2. Three procedures related to Law on Food Safety drafted and agreed by working group at MOPH during December 2014 - March 2015 3. One procedure related to Law on Food Safety drafted and agreed by working group at MOPH during April-June 2015 4. Draft regulation for implementing Law on Animal Health finalized. 5. Seven procedures for implementing the Law on Animal Health prepared by the working group at MAIL in January-March 2015 6. Five additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period Nov. 2014-March 2015 7. Four additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period April-June 2015 8. Draft regulations to implement Law on Plant Protection and Quarantine prepared by working group at MAIL 9. Four draft procedures for implementing Law on Plant Protection and Quarantine finalized 10. Draft copyrights coordination procedure finalized
PIR 1.2: WTO implementation process developed and executed										
14	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	207 events (participants include 1,925 males, 351 females)	9 events (102 participants include 92 males, 10 females)	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	34	3	30	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements to enable necessary adjustments. 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. Sanitary and phytosanitary awareness seminar at MAIL in February 2014 6. Awareness training seminar on trademarks for the private sector in February 2015 7. Awareness training seminar on procedures for trademark registration for the private sector (February 2015) 8. Awareness training seminar on trademarks for the legal community in February 2015 9. Two training seminar on geographical indications for the private sector in March 2015 10. Two awareness seminar on patents for private sector 11. Three awareness seminar on trademarks for academia 12. TIR awareness workshop for transport operator 13. Three WTO awareness in September 2015
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output USAID requested indicator	Province	Project records	Quart-erly	0	30	12	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point 14. Note for President Ghani re bilateral trade issues with Pakistan 15. Note for President Ghani re transit trade issues with Pakistan 16. Awareness materials on geographical indications 17. Awareness materials on trademarks 18. Awareness materials on patents 19. Ten WTO awareness presentations and two WTO fact sheets
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
17	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from percep-tion survey	TBD from perception survey	TBD from perception survey	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
18	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	TBD	See the notes column	N/A (to be provided end of 2015)	Tracking only	This indicator will capture the share of Afghanistan's trade with regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan.

Country	2013		2014	
	Import	Export	Import	Export
India	2.5%	22.5%	2.2%	27.6%
Kazakhstan	3.7%	0.4%	5.6%	0.8%
Kyrgyzstan	0.1%	0.0%	0.2%	0.0%
Pakistan	21.1%	35.4%	19.2%	32.9%
Tajikistan	0.7%	2.4%	0.3%	5.9%
Turkmenistan	9.3%	3.0%	6.6%	1.3%
Uzbekistan	5.3%	1.9%	5.6%	0.5%

Sub-IR 2.1: Enabling environment for enhanced access to regional markets established

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
19	Number of signed initiatives on regional integration (Disaggregated by signed and launched)	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quart-erly	0	7	0	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched 5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) 6. India allowed Afghan trucks to unload cargo in Indian territory 7. Lapis Lazuli Trade and Transit Agreement launched (Afghanistan, Azerbaijan, Georgia, Turkey, and Turkmenistan) launched

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
20	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	21	4	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPAA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014 7. Two roundtables in Kabul with private sector to discuss problems related to APTTA 8. Transport and logistics workshop held in Kyrgyzstan on Dec 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek on the WTO TFA in March 2015 11. A session led MOCI to finalize SAFTA sensitive list in consultation with private sector, ACD and other ministries 12. Seminar on promoting Afghan exports to South Asia entailed significant dialogue between 80 businesses and government officials from MOCI and MOF/ACD 13. A roundtable in Bishkek on trade facilitation involving Ministry of Economy, border agencies, and traders on April 21 14. Roundtable in Tajikistan on August 21 on AEO 15. Co-planned the IRU TIR Roundtable on 23 August and the TIR National Capacity Building Workshop in Kabul, on August 24-25, 2015. 16. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on August 10 2015 17. Roundtable at MOC with private sector in early August concerning APTTCA meeting
21	Number of proposals discussed to harmonized customs procedures or documents on transit corridors	Output USAID requested indicator	N/A	ATAR project records	Annual	0	12	3	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk management and post clearance audit,that are ongoing. 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs mattes (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Kyrgyz Republic 6. Recommendations for conformity with WTO TFA in Tajikistan 7. Recommendations on advance rulings in Kyrgyz Republic 8. Recommendations on AEO for Uzbekistan 9. Recommendations to improve coordinated border management in Tajikistan 10. Recommendations to Tajik Customs regarding Institutional settings for effective management of post clearance audits and linking audit findings to the risk management system 11. Proposal for establishing AEO in Tajikistan presented to Customs 12. Modality for Afghan customs operating at Karachi port presented to ACD

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
22	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Monthly	0	813 firms	25	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR helped build the capacity of 813 firms, as detailed below: • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40 • 20 business attended two trainings on export in Kabul • 110 business attended transport conference in Kyrgyzstan • 81 businesses attended two roundtables and one seminar on export credit • 7 businesses were assisted to participate in Domotex • 15 businesses participated in India Stone Mart • 9 businesses were assisted to participate in Gulfood • 9 business participated in Aahar exhibition • 10 business were trained on Letter of Guarantee • 5 businesses were assisted to participate in World Food Exhibition in Kazakhstan in Nov. 2014 • 13 businesses were assisted to participate in a craft selling exhibition in Italy • 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul • 22 businesses were participated in access to finance for trader conference • 23 businesses were participated in trade finance training • 80 private exporters participated in seminar on "Promoting Afghan Exports to South Asia" in May 2015 • 25 carpet producers and exporters business-t-business event co-organized with ABADE
• Sub-IR 2.2 Benefits from enhanced market access expanded										
23	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6	$2,393 Corridor 5 (2013)	$2,393 Corridor 5 (2013)	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
24	Number of laden vehicles crossing Afghanistan border in each direction	Outcome/ Impact Required by Prime Contract	By Torqundi, Hairatan, Sher khan Bandar, Torkham and Weish	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175,770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
25	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CAREC Corridor Performance Management and Monitoring (CPMM)	Annual	$157 (2012)	$235 (2013)	$235 (2013)	Tracking only	The average of total expenses to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3:Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
26	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million 1392	$752 million 1393	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
PIR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
27	Number of permanent professional positions allocated for women within ACD that have been staffed	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarter-ly	77	1 (58 ACD)	0	Tracking only	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020. Note: The recruitment of females is dictated by the Ministry of Finance tashkeel.
28	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	15	0	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. Note: From January to June, 15 interns hired by ATAR 4 females and 11 males. Nine interns will be deployed in October, including 4 females.
29	Average number of days required to trade goods across borders (average of export/import time)	Outcome/ Impact Required by Prime Contract	Province	ACD World Bank Doing Business report	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Sher Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Herat: 3 hours and 30 minutes Hairatan: 2 hours 40 minutes Jalalabad 3 hours 30 minutes Shir Khan Bandar: 2 hours 30 minutes Aquina: 2	See Notes	2 hours	This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)" See table below. Note: No figures for Kabul ICD as ATAR is not working there due to security.
30	Number of documents required to export/import goods across borders decreased as a result of USG assistance	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2015)	10 Import/ 10 Export (World Bank Doing Business report 2015)	Tracking only	Reduction in documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction.

Table embedded in Notes for indicator 29:

ICD	Green	Yellow	Red
Mazar (Balkh ICD)	1 hour 10 minutes	1 hour 30 minutes	2 hours
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Sher Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes
Herat	45 minutes	1 hour 10 minutes	1 hour 30 minutes
Jalalabad	48 minutes	1 hour 8 minutes	1 hour 35 minutes
HKIA			

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Sep 2015)	Project Achievement for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
31	Time to export/ import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted— from the contractual agreement between the two parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators.
32	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	2	2	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. Implemented: 1. E-payment has been implemented at two locations. National roll-out will start next quarter. 2. Hotline has been re-activated. Outreach campaign will be in next quarter.
33	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	1	1	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next year. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc.
34	Number of training modules developed by ATAR	Outcome/ Impact USAID requested indicator	None	ATAR project records	Annual	0	26	9	45	This indicator captures number of modules ATAR developed in support of ANCA: Training modules developed in Year 1: 1. Basic Risk Management; 2. Intermediate Risk Management; 3. Risk Profiling; 4. Valuation Fraud; 5. Valuation (Basic); 6. Professional Standards; 7. PCA Awareness / Implementation; 8. Compliance for Senior Management. Training modules developed in Year 2 (April to June 2015): 1. Mobile verification Team; 2. Vehicle search; 3. Coach search; 4. Airport; 5. Freight; 6 Compliance and risk management; 7. Audit procedures and working papers; 8.Post clearance audit process; 9. Operational and tactical audit planning Training Modules developed in Year 2 (July to September 2015): 1. Time Management Planning; 2. Problem Solving Advanced; 3. Effective Meetings-Participating and Chairing; 4. Management Presentation Skills; 5. Leadership; 6. Influence; 7. Decision Making; 8. Staff Motivation; 9. Management Delegation
35	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	(see note)	(see note)	75%	The collection of revenue by electronic means relates to the amount of ICDs that have ASYCUDA and the percentage of declarations processed through ASYCUDA compared to the total of declarations received at all ICDs. Note: In discussions with USAID, there is confusion whether this is related to implementation of ASYCUDA or E-payment. This needs to be confirmed.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015)	Life-of-Project Target	Notes
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	134 trainings (2,433 participants including 2,002 male and 431 female) 1,8548 person hours of training	18 trainings (250 participants including 168 male and 82 female) 1,801 person hours of training	120 trainings/ 1,200 participants	This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered.
Cross-Cutting Indicators										
37	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	17	4	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health 8. Consultative meeting on sensitive list with stakeholders 9. Consultative meeting with Afghan Marble Association on problems in marble sector 10. Consultative meeting with the ministry of Transport on revising transport laws in the context of TIR 11. Consultative meeting with MOCI on reactivation of TIR 12. Customs consultative meeting in Bishkek between customs and traders on June 18 13. Consultative working group on trade facilitation lake IssykKul June 15-16 14. Roundtable in Tajikistan on Post Clearance Audit in September 2015 15. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on 10 August 2015 16. Consultative process Aug 15 with Afghan Marble Association on removing ban on export of marble in rough form. 17. Roundtable at MOC with private sector early August concerning APTTCA meeting
38	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	186 days	66 days	70 days	Government, private sector participants, days, hours in trainings of trade and customs regulation.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
39	Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level (GNDR-1)	Output USAID requested indicator	By law, policy, or procedure	Project/ program reporting	Annual	0	0	0	Tracking only	Any law, policy, or procedure designed to promote or strengthen gender equality at the regional, national or local level, which was developed or implemented with USG assistance.

G. COLLABORATION

Links with relevant Afghan government ministries

ATAR's success is dependent on its close relationship with the Afghan government, specifically ACD, MOCI, and other ministries and government agencies relevant to Afghanistan's WTO accession and trade environment. ATAR had staff embedded at ACD, MOCI, and EPAA to work with the entities regularly, but the staff faced frequent security challenges. ATAR's expatriate staff was unable to embed at ACD due to security restrictions; the expatriate staff conducted meetings and short visits as possible and relied on local staff that remained embedded with intermittent restrictions.

Despite the security issues, ATAR continued working closely with ACD, MOCI, and MOJ and other relevant ministries and related entities such as MAIL and MOPH by conducting regular meetings, trainings, and working groups to ensure that government officials were part of the decision-making process and had a thorough understanding of topics such as WTO activities (including draft laws, regulations, and procedures) and international standards.

Links with other donor agencies

In support of the project's activities in Central Asia, ATAR continued to work with other donor agencies, in particular GIZ. ATAR participated in Kyrgyzstan's first WTO TFA working group meeting, which was sponsored by GIZ, in July. In addition, ATAR is working in partnership with GIZ in Tajikistan for the adoption of a plan for compliance with the WCO RKC.

In Afghanistan, ATAR began working with UN Women to support the participation of women traders in the India International Trade Fair to be held in November in New Delhi, India. ATAR will support the participation of six women traders in the show by providing them with exhibition space and will train them as well as ten other women traders supported by UN Women.

Links with other USAID projects

In Afghanistan, ATAR liaised with USAID's CHAMP, ABADE, RADP-S, and FAIDA on events and activities such preparation for the India International Trade Fair to be held in November in New Delhi, India; preparation for a "Made in Afghanistan" branding event to be held in December in India; and a business-to-business event for Afghan carpet producers and America buyers that was held in Dubai during the quarter.

In Central Asia, ATAR was co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to coordinate on regional trade activities. In support of trade opportunities between Afghanistan and Kazakhstan, ATAR, EPAA, and USAID's REC project identified Afghan participants for CATF that will take place in Almaty in October. From Turkmenistan, ATAR provided USAID's RADP-W project in Afghanistan with Turkmen fruit and vegetable market information to identify the potential to export Afghan produce to Turkmenistan.

H. MANAGEMENT AND ADMINISTRATIVE MATTERS

Personnel

The Component 2 Deputy Team Manager position was filled during the quarter. Recruitment for the Component 1 Team Manager and Component 1 Deputy Team Manager was ongoing as of the end of the quarter.

Adaption of the activity

No major changes to the project's statement of work were made during the reporting period.

Modifications and Amendments

No modifications or amendments were made to the contract during the reporting period.

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SNAPSHOT

Customs E-Pay Brings Security and Ease

Afghanistan piloted a system that enables importers to pay their customs duties electronically.

A telecommunications company employee checks with a customs official on release of his imports after paying duties electronically.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib from AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

With their imports of expensive, high-tech equipment and large boxes of pre-paid phone cards, Afghanistan's five major telecommunications companies account for half of all the customs duties collected at Hamid Karzai International Airport in Kabul.

The major telecommunications companies such as AWCC, Roshan, and MTN paid their customs duties with hefty amounts of cash. The companies hired armed guards to protect armored vehicles filled with plastic bags bulging with Afghan currency. The vehicles drove to the customs site where the bags were unloaded and hauled into an office so customs officials could count the bills.

Last May, the Afghanistan Customs Department and Da Afghanistan Bank, with the support of USAID's Afghanistan Trade and Revenue project, launched electronic payment, or E-Pay, of customs duties for all importers. The system, which piloted in Kabul and will rollout to customs sites nationwide, transformed payment of customs duties from a high-risk logistical endeavor into a simple electronic transaction.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib, senior logistics officer at AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

With E-Pay, an importer can pay customs duties electronically through any commercial bank. After electronic notification of the trader's payment from the commercial bank, the Da Afghanistan Bank branch at each customs office issues a payment confirmation for each transaction and submits it to the customs office. Customs then issues the release order for the goods.

"This is a good initiative for customs to facilitate trade," Adnan Sahil, the customs clearance manager at MTN. "We are happy that we don't have to take a lot of money in cash. Payments in cash take a lot of time, and we could use that time for investment."

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SNAPSHOT

"Amazingly Real Afghanistan" Debuts at Expo

The Afghanistan Pavilion at Expo Milano 2015 is drawing thousands of visitors every day.

A visitor at the Afghanistan Pavilion in Milan, Italy, smells the country's saffron.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and the people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

Expo Milano 2015 offers visitors the chance to see the world in one place. More than 140 nations, including Afghanistan, are showcasing their sights, sounds, smells, and tastes at the exposition in Milan, Italy.

With the focus of this year's event on food, the Export Promotion Agency of Afghanistan (EPAA) organized the Afghan Pavilion around the "Amazingly Real Afghanistan" tagline – referring to the country's organic produce. In addition to saffron, fruit, and nuts, the pavilion offers a glimpse of another side of Afghanistan.

"We tried to exhibit the tradition, culture, and the products of Afghanistan in the Afghanistan Pavilion in the best way so [visitors] feel like they are in Afghanistan when they go into the pavilion, so they get familiar with the smell of Afghan food," said Navid Mohseni, EPAA's general marketing manager. "The visitors are welcomed by Afghan saffron tea and Afghan sweets."

The pavilion draws about 2,000 visitors daily, many of whom come after seeing the pavilion mentioned in newspapers or hearing about its small restaurant offering traditional cuisine.

"Most [visitors] were not familiar with Afghan food, and they mostly know Afghanistan by war," said Barialai Nazary, the Afghan Pavilion restaurant manager. "I am grateful we could successfully introduce a different Afghanistan with its culture and its food."

USAID's Afghanistan Trade and Revenue project supported EPAA in organizing its participation and creating marketing materials. Preparations for the six-month exhibition began last year.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

Visitors are leaving the pavilion with knowledge of Afghan exports, an appreciation of its food, culture, and history, and a sense of the hospitality underpinning the real Afghanistan.

"It's really a pleasure to know another aspect of your country and this culture," said Danielle, a visitor from Italy.